



General Assembly

January Session, 2005

***Raised Bill No. 1091***

LCO No. 3521

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Referred to Committee on Planning and Development

Introduced by:  
(PD )

***AN ACT CONCERNING A MUNICIPAL ELECTRIC AGGREGATION  
DEMONSTRATION PROGRAM.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective from passage*) (a) For purposes of this  
2       section, "municipal aggregation unit" means a municipality, or political  
3       subdivision thereof, or group of municipalities, or political  
4       subdivisions thereof, that serve as an electric aggregator for the  
5       purpose of negotiating the purchase of electric generation services  
6       from an electric supplier for all electric customers within the legal  
7       boundaries of such municipality, or political subdivision thereof, or  
8       group of municipalities, or political subdivisions thereof.

9       (b) On and after January 1, 2006, there shall be a municipal electric  
10      aggregation demonstration program that shall operate in two phases,  
11      each for a period of not more than five years. Such demonstration  
12      program shall allow customers to opt-out of the electric service offered  
13      by the municipal aggregation unit. Current customers of competitive  
14      suppliers may be offered the opportunity to opt-in to the aggregation  
15      and are excluded from opt-out if their supplier provides customer  
16      information determined by the Department of Public Utility Control

17 pursuant to subsection (e) of this section. The combined number of  
18 participants in the demonstration program shall represent not more  
19 than eight hundred megawatts of load in the state, as determined by  
20 the Department of Public Utility Control. Each municipal aggregation  
21 unit that seeks to participate in the demonstration program shall file  
22 with the department a letter of intent, draft ordinance and such other  
23 documentation as the department may require not later than  
24 September 1, 2005. The department may establish additional filing  
25 deadlines as it deems appropriate. The department shall review such  
26 filings to ensure that the municipalities participating in the  
27 demonstration program represent a diverse range of population sizes.  
28 Each municipal aggregation unit shall retain the services of a firm  
29 having expertise in electric aggregation and energy procurement to  
30 provide assistance with its participation in the demonstration  
31 program, including, but not limited to, the development of its request  
32 for proposal. Municipalities or political subdivisions of municipalities  
33 that are served by municipal electric utilities that have declined to  
34 participate in the competitive electric generation market prior to  
35 January 1, 2005, shall not be eligible to participate in this  
36 demonstration program.

37 (c) A municipality shall initiate a process to form or join a municipal  
38 aggregation unit by the adoption of an ordinance.

39 (d) The municipal aggregation unit shall issue a request-for-  
40 proposal to licensed electric suppliers for the provision of electric  
41 generation service and select a bidder after providing a written  
42 analysis that the economic benefits will be equal to or exceed the  
43 current or projected economic benefits of receiving electric generation  
44 services through transitional standard offer service or standard service.  
45 The municipal aggregation unit shall not be subject to the provisions of  
46 section 16-245s of the general statutes.

47 (e) Not later than June 15, 2005, the Department of Public Utility  
48 Control shall open a proceeding to develop a set of demonstration

49 program requirements which shall include, but not be limited to, the  
50 manner by which electric customers are provided (1) notice of the  
51 initiation of a demonstration program, (2) information regarding rates  
52 and environmental characteristics, (3) information regarding contract  
53 terms and conditions, and (4) notice regarding a customer's right to  
54 cancel service. Electric customers shall be given not less than sixty days  
55 notice prior to the initiation of a demonstration project.

56 (f) Not later than January 1, 2008, the Department of Public Utility  
57 Control, in consultation with the Office of Consumer Counsel, shall  
58 submit, in accordance with section 11-4a of the general statutes, a  
59 report regarding the performance of the municipal electric aggregation  
60 demonstration program to the joint standing committee of the General  
61 Assembly having cognizance of matters relating to energy. The report  
62 shall also include findings and recommendations regarding whether or  
63 not the time period for this demonstration program should be  
64 extended, and whether or not the program should be expanded state-  
65 wide.

66 Sec. 2. Subdivision (31) of subsection (a) of section 16-1 of the  
67 general statutes is repealed and the following is substituted in lieu  
68 thereof (*Effective from passage*):

69 (31) "Electric aggregator" means (A) a person, municipality,  
70 municipal aggregation unit, as defined in section 1 of this act, or  
71 regional water authority that gathers together electric customers for  
72 the purpose of negotiating the purchase of electric generation services  
73 from an electric supplier, or (B) the Connecticut Resources Recovery  
74 Authority, if it gathers together electric customers for the purpose of  
75 negotiating the purchase of electric generation services from an electric  
76 supplier, provided such person, municipality, unit or authority is not  
77 engaged in the purchase or resale of electric generation services, and  
78 provided further such customers contract for electric generation  
79 services directly with an electric supplier or, in the case of a municipal  
80 aggregation unit, such customers contract for electric generation

81 services with an electric supplier in accordance with the provisions of  
82 section 1 of this act, and may include an electric cooperative  
83 established pursuant to chapter 597.

84 Sec. 3. Section 16-245o of the general statutes is repealed and the  
85 following is substituted in lieu thereof (*Effective from passage*):

86 (a) To protect a customer's right to privacy from unwanted  
87 solicitation, each electric company or electric distribution company, as  
88 the case may be, shall distribute to each customer a form approved by  
89 the Department of Public Utility Control which the customer shall  
90 submit to the customer's electric or electric distribution company in a  
91 timely manner if the customer does not want the customer's name,  
92 address, telephone number and rate class to be released to electric  
93 suppliers. On and after July 1, 1999, each electric or electric distribution  
94 company, as the case may be, shall make available to all electric  
95 suppliers customer names, addresses, telephone numbers, if known,  
96 and rate class, unless the electric company or electric distribution  
97 company has received a form from a customer requesting that such  
98 information not be released. Additional information about a customer  
99 for marketing purposes shall not be released to any electric supplier  
100 other than a municipal aggregation unit unless a customer consents to  
101 a release by one of the following: (1) An independent third-party  
102 telephone verification; (2) receipt of a written confirmation received in  
103 the mail from the customer after the customer has received an  
104 information package confirming any telephone agreement; (3) the  
105 customer signs a document fully explaining the nature and effect of the  
106 release; or (4) the customer's consent is obtained through electronic  
107 means, including, but not limited to, a computer transaction.

108 (b) All electric suppliers except municipal aggregation units shall  
109 have equal access to customer information required to be disclosed  
110 under subsection (a) of this section. No electric supplier except a  
111 municipal aggregation unit shall have preferential access to historical  
112 distribution company customer usage data.

113 (c) No electric or electric distribution company shall include in any  
114 bill or bill insert anything that directly or indirectly promotes a  
115 generation entity or affiliate of the electric distribution company. No  
116 electric supplier shall include a bill insert in an electric bill of an  
117 electric distribution company.

118 (d) All marketing information provided pursuant to the provisions  
119 of this section shall be formatted electronically by the electric company  
120 or electric distribution company, as the case may be, in a form that is  
121 readily usable by standard commercial software packages. Updated  
122 lists shall be made available within a reasonable time, as determined  
123 by the department, following a request by an electric supplier. Each  
124 electric supplier seeking the information shall pay a fee to the electric  
125 company or electric distribution company, as the case may be, which  
126 reflects the incremental costs of formatting, sorting and distributing  
127 this information, together with related software changes. Customers  
128 shall be entitled to any available individual information about their  
129 loads or usage at no cost.

130 (e) Each electric supplier shall, prior to the initiation of electric  
131 generation services, provide the potential customer with a written  
132 notice describing the rates, information on air emissions and resource  
133 mix of generation facilities operated by and under long-term contract  
134 to the supplier, terms and conditions of the service, and a notice  
135 describing the customer's right to cancel the service, as provided in this  
136 section. No electric supplier shall provide electric generation services  
137 unless the customer has signed a service contract or consents to such  
138 services by one of the following: (1) An independent third-party  
139 telephone verification; (2) receipt of a written confirmation received in  
140 the mail from the customer after the customer has received an  
141 information package confirming any telephone agreement; (3) the  
142 customer signs a document fully explaining the nature and effect of the  
143 initiation of the service; or (4) the customer's consent is obtained  
144 through electronic means, including, but not limited to, a computer  
145 transaction. A customer who has a maximum demand of five hundred

146 kilowatts or less shall, until midnight of the third business day after  
 147 the day on which the customer enters into a service agreement, have  
 148 the right to cancel a contract for electric generation services entered  
 149 into with an electric supplier. The provisions of this subsection shall  
 150 not apply to the customers of municipal aggregation units.

151 (f) An electric supplier shall not advertise or disclose the price of  
 152 electricity in such a manner as to mislead a reasonable person into  
 153 believing that the electric generation services portion of the bill will be  
 154 the total bill amount for the delivery of electricity to the customer's  
 155 location. When advertising or disclosing the price for electricity, the  
 156 electric supplier shall also disclose the electric distribution company's  
 157 average current charges, including the competitive transition  
 158 assessment and the systems benefits charge, for that customer class.

159 (g) Each electric supplier shall comply with the provisions of the  
 160 telemarketing regulations adopted pursuant to 15 USC 6102.

161 (h) Any violation of this section shall be deemed an unfair or  
 162 deceptive trade practice under subsection (a) of section 42-110b.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16-1(a)(31)
Sec. 3	<i>from passage</i>	16-245o

**Statement of Purpose:**

To establish a municipal aggregation demonstration program that will operate as a customer opt-out of electric service program.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*